



The Voice of Small Business

Charles S. Owens, State Director
National Federation of Independent Business
115 W. Allegan / Suite 310
Lansing, MI 48933
(517) 485-3409

**Testimony on House Joint Resolution CC – Balanced Budget Amendment
Before the House Financial Liability Reform Committee
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My name is Charlie Owens and I am the State Director for the National Federation of Independent Business, an advocate for Michigan small businesses owners since 1943.

We are here today to testify in support of House Joint Resolution CC which petitions Congress to call a convention to propose amendments to the Constitution of the United States, under Article V, to require a balanced federal budget.

The Resolution, sponsored by Representative Ray Franz, is part of a nationwide effort to use the Article V process outlined in the U.S. Constitution to move Congress toward adopting a Balanced Budget Amendment. The process requires 34 state legislatures to adopt similar resolutions that would call for a Convention to adopt the amendment. Twenty states have already passed the Resolution.

As you are aware, Senate Joint Resolution V sponsored by Senator Mike Green (R-31) passed the Senate last fall and Governor Snyder called upon the legislature to support the Article V Balanced Budget Amendment effort in his recent State of the State address.

Small business owners are frustrated with the federal government's failure to address the basic budgeting that every citizen and small business must adhere to in their daily activities. A balanced federal budget has only occurred twice in thirty years of federal budgeting. As we have observed in our own state, and have learned the hard way with the recent bankruptcy of Detroit, a continued imbalance in budgeting and accumulated debt lead to economic uncertainty and instability that inhibits job growth, personal income and opportunity.

There are those that are concerned about the impact a balanced budget requirement might have on social programs and the safety net for our vulnerable citizens. We must understand that any effective social safety net is ultimately woven of money. In the long run, the inability to budget properly is as much a danger to the viability of these programs as it is to anything else.

It is time for the states and citizens to use the powers provided by the founding fathers in our Constitution to put an end to this irresponsible behavior.

Small business owners have long supported a Balanced Budget Proposal with a recent NFIB Member Survey indicating that 90 percent of small business owners want a balanced budget amendment to the Constitution. It should also be noted that Polls by CNN, Fox News, and Mason-Dixon show that nearly three-fourths of Americans favor a balanced budget amendment to the U.S. Constitution.

For many years, NFIB has advocated Congressional action to achieve this goal. We are now stepping up our game by standing behind the state's efforts through the Article V process as well. We invite and urge all other business groups in Michigan and the nation to take a look at this effort and get behind it.

A review of the history concerning the 17th Amendment to the Constitution illustrates that this is a realistic and achievable goal. After almost 85 years of resistance, the U.S. Senate finally consented in 1913 to Congressional proposal of what became the 17th Amendment when it became apparent that the states were on the verge of succeeding with only one state needed to call a convention under Article V.

Whether the Article V effort motivates Congress to act or it succeeds on its own, taxpayers and citizens are the winners. It should also be understood that since the Executive office does not have a constitutional role in the amendment process, the joint resolution does not go to the White House for signature or approval, but to the states for final three fourths (38 states) ratification.

It is interesting to note that this process has detractors from both conservative and liberal camps. Both like to raise the specter of a "runaway convention" where the entire U.S. Constitution could be changed. Most of this rhetoric is based on either group promoting their own narrow agenda rather than reviewing history or any credible research on the subject. One of the checks on this unlikely scenario is the specificity of the resolutions in question. Both HJR CC and SJR V meet this requirement and are consistent with most of the resolutions passed by the other states that narrow a call for a convention to propose amendments to a balanced budget amendment.

As one researcher on the subject, constitutional scholar Robert J. Natelson observed, "There are far more political and legal constraints on a runaway convention than on a runaway Congress."

To conclude I urge this committee to report this resolution to the full House with recommendations for approval.

Thank you for your support of small business.